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LAUGHREN ANNOUNCES REDUCED SPENDING PLAN FOR 1993-94

Toronto - Ontario Finance Minister Floyd Laughren today announced an Expenditure Control Plan totalling \$4 billion.

Laughren said the Expenditure Control Plan, which involves measures affecting every ministry across government, is just one part of the government's balanced package to deal with the debt problem. The entire debt reduction package includes measures to reduce operating spending, negotiate a social contract with the public sector, and increase revenues through tax and non-tax measures, and asset sales.

"This government will not allow the growing debt to knock us off our plan to get Ontario back to work and preserve essential services for the people of Ontario," he said. "We must be in a position to invest in Ontario's future, rather than borrowing from it."

Laughren told a Queen's Park news conference that the expenditure control measures represent "significant progress" in the government's efforts to manage its debt.

In March, the government indicated it was looking at a deficit of almost \$17 billion for the 1993-94 fiscal year, a figure that already included \$1.5 billion in spending reductions. The government has since identified an additional \$2.4 billion in savings, bringing the total spending control package to almost \$4 billion.

"Escalating debt, driven by declining revenues, threatens to undermine our ability to provide important public services and invest in jobs and people," he said.

Laughren said the Expenditure Control Plan involved a comprehensive review of government programs and operations and the exploration of a range of options.

"We have made some very tough, but fair, decisions," he said. "The largest savings will come from the government's own operations. No ministry has been exempt from this process."

"Every effort has been made to ensure that the burden is shared fairly. Every effort has also been made to ensure that those who are most vulnerable in our society are protected as much as possible."

An estimated 9,000 to 11,000 jobs will be affected in the Ontario Public Service and in the Broader Public Sector in the first year, Laughren said. The government is asking representatives of public sector employees and employers, as part of the social contract bargaining process, to discuss how to mitigate the impact on workers and how to address the need for further spending reductions.

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The Minister released a description of the Expenditure Control Plan. The following is a sample of many large and small measures in the plan:

- Planned relocations of government staff are being downscaled or cancelled. The following projects have been cancelled: Haileybury, Windsor, Brantford, Elliot Lake, Chatham and Kingston. While a further review of the scale and timing of the moves to Peterborough, St. Catharines, Niagara Falls and Guelph will be carried out, these projects will go ahead, and provincial jobs will be moved to these communities. The Ontario Provincial Police headquarters in Orillia is under construction and is continuing. Most of the capital saved -- a total of \$100 million -- will be redirected to economic development in the communities adversely affected.
- All of Ontario's international offices will be closed. Support for international trade and investment will be provided through closer links with the Government of Canada's embassies and consulates and with private sector partners.
- The budget for the Farm Tax Rebate will be frozen at current spending levels.
- The Ministry of Community and Social Services' Oxford Regional Centre in Woodstock for people with developmental disabilities will be closed in 1996. Resources will be provided towards moving each of the centre's residents to a community setting.
- Two colleges of agricultural technology at Centralia and New Liskeard will be closed.
- The Ministry of Natural Resources will consolidate its field offices, closing 25 locations across the province.
- Unconditional grants to municipalities will be reduced. The dollar impact, province-wide, of this reduction will equal approximately 2 per cent of municipal budgets.

The Finance Minister cautioned that "although we have achieved a great deal with this expenditure reduction plan, we are still wrestling with a significant deficit for 1993-94. "He said the government remains committed to bringing the deficit in below \$10 billion, which means "we still have more work ahead of us."

"That is why we have a balanced package of measures. Everyone must contribute their fair share -- not just those who work in the public sector."

The package of measures to control the provincial debt is an important component of the government's overall plan to put Ontario back to work and maintain essential public services. "We must deal aggressively with the debt problem to ensure that it does not overwhelm the economy and undermine the long-term viability of the public sector and of public services in Ontario," Laughren said.